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Conflicts Counsel for Petitioning Creditor
Professional Financial Investors, Inc.

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re:

PROFESSIONAL INVESTORS 38, LLC

Alleged Debtor.

Case No. 21-30082
(Joint Administration to be Requested with
Case No. 20-30604)

Chapter 11

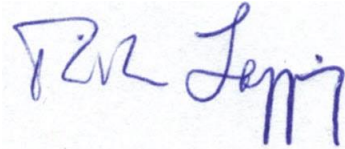
**NOTICE OF INTENT TO CONSENT TO
INVOLUNTARY BANKRUPTCY
PETITION**

[No Hearing Required]

Pursuant to the order attached to this notice as Exhibit A, Professional Financial Investors, Inc. intends to consent to the involuntary bankruptcy petition filed in this case if it is not contested within ten (10) days of its filing and service.

Dated: February 4, 2021

TRODELLA & LAPPING LLP



By: _____

Richard A. Lapping
Conflicts Counsel for Petitioning Creditor
Professional Financial Investors, Inc.

EXHIBIT A



Signed and Filed: November 19, 2020

SHEPPARD, MULLIN,
RICHTER & HAMPTON LLP
A Limited Liability Partnership
Including Professional Corporation:

ORI KATZ,
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Cal. Bar No. 228628
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Counsel for Debtors

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re

PROFESSIONAL FINANCIAL
INVESTORS, INC., a California
corporation; PROFESSIONAL
INVESTORS SECURITY FUND, INC., a
California corporation,

Debtors.

Case No. 20-30604
(Jointly Administered with Case No. 20-30579)

Chapter 11

**ORDER APPROVING DEBTORS'
MOTION UNDER BANKRUPTCY
CODE SECTIONS 105(a) AND 363(b)
FOR AUTHORIZATION TO FILE
INVOLUNTARY BANKRUPTCY
PETITIONS AGAINST CERTAIN
RELATED ENTITIES AND CONSENT
TO THE ENTRY OF ORDERS FOR
RELIEF THEREON**

Date: 10:00 a.m.

Time: November 19, 2020

Judge: Hannah L. Blumenstiel

Place: **Telephonic/Video Appearances
Only**

450 Golden Gate Avenue
16th Floor, Courtroom 19
San Francisco, CA 94102

1 The Debtors' Motion Under Bankruptcy Code Sections 105(a) and 363(b) for
2 Authorization to File Involuntary Bankruptcy Petitions Against Certain Related Entities
3 (the "Motion"), filed on October 29, 2020 as Docket No. 228 by Professional Financial
4 Investors, Inc. ("PFI") and Professional Investors Security Fund, Inc. ("PISF" and,
5 together with PFI, the "Debtors"), the debtors in the above-captioned bankruptcy cases,
6 came before the Court for hearing on November 19, 2020 at 10:00 a.m.. Appearances
7 were as noted on the record. Based upon the Court's review of the Motion, the
8 declarations and other pleadings filed in support of the Motion, the arguments of counsel at
9 the hearing on the Motion, and all pleadings and evidence of record in this case,

10 IT IS HEREBY ORDERED THAT:

11 1. The Motion is GRANTED. Capitalized terms not defined in this Order shall
12 have the meanings given to them in the Motion.

13 2. PFI is authorized, but not required, to file an involuntary bankruptcy petition
14 against any of the Related Entities; however, this Order makes no determination regarding
15 whether any involuntary bankruptcy case that PFI commences pursuant to this Order
16 complies with section 303 of the Bankruptcy Code.

17 3. PFI is authorized to consent to entry of an order for relief against any of the
18 Related Entities; provided, however, that PFI shall not consent to the entry of such an
19 order against any Related Entity until at least ten (10) days after the filing and service of
20 the involuntary petition against such Related Entity.

21 4. Concurrently with the filing of any involuntary petition against a Related
22 Entity, PFI shall also file a Notice of Related Cases, as described in Bankruptcy Local
23 Rule 1015-1.

24 5. Notwithstanding the applicability of Bankruptcy Rule 6004(h), the terms and
25 conditions of this Order shall be immediately effective and enforceable upon its entry.

26 6. Nothing in this Order or the Motion is intended to, or does, in any manner
27 whatsoever, waive, limit, impair or restrict the ability of the Ad Hoc Committee of LLC
28 Members, its members, or any individual LLC or TIC investor, to fully protect and

1 preserve their Rights in these existing bankruptcy cases, future filed bankruptcy cases or
2 otherwise, including, without limitation, with respect to:

- 3 a. the amount, validity, classification and treatment of any claims or interests of
4 the LLC or TIC investors in or against the Debtors and the LLCs, and their
5 respective estates, including all bankruptcy cases of debtors that may be filed
6 in connection with and/or jointly administered with the current bankruptcy
7 cases;
- 8 b. full participation in the bankruptcy cases as authorized by the Bankruptcy
9 Code;
- 10 c. subject to any limitations that may be imposed by the Bankruptcy Code and
11 to the extent not inconsistent with the other provisions of this Order, the
12 ability to take action under, and enforce all rights arising under and
13 provisions in, the operating agreements, management agreements and related
14 documents, including without limitation, all Rights under the applicable
15 documents as to LLC and TIC investors' rights to dismiss or otherwise
16 terminate such bankruptcy case(s), terminate or replace any of the Debtors as
17 property manager, general manager of an LLC and/or as a person responsible
18 for making decisions, managing and/or directing any bankruptcy case on
19 behalf of an LLC debtor;
- 20 d. any asserted mismanagement of the LLCs and their properties, or any one of
21 them, including, without limitation, the right to seek appointment of a trustee
22 or examiner in any of the bankruptcy cases including the LLC bankruptcy
23 cases, or to otherwise seek to convert any Chapter 11 case to a case under
24 Chapter 7;
- 25 e. the issue of substantive consolidation; and nothing in this Order, the Motion
26 or the filing of the LLCs for bankruptcy protection shall be deemed a
27 substantive consolidation of any of the debtors or their estates and/or assets
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and liabilities, except upon further order of this Court after notice and a hearing; and

f. any allocation of costs and expenses sought against any LLC in connection with the bankruptcy cases.

7. The foregoing list of Rights reserved is not intended to be exhaustive, but rather the reservation of rights set forth herein shall be construed as broadly as possible.

8. The Court retains jurisdiction over the matters arising from or related to the interpretation or implementation of this Order.

*****END OF ORDER*****

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COURT SERVICE LIST

None.